UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/682,189	08/02/2001	Warren B. Mosler	211945US6CON	4982

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EXAMINER
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ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 11/19/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _02 August 2001_.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _1-63_ is/are pending in the application.

　　4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-63_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

　　Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

　　Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

　　a)☐ All b)☐ Some * c)☐ None of:

　　　1.☐ Certified copies of the priority documents have been received.

　　　2.☐ Certified copies of the priority documents have been received in Application No. _____.

　　　3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

　　* See the attached detailed Office action for a list of the certified copies not received.

13)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

　　a) ☐ The translation of the foreign language provisional application has been received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .

4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

Claim Rejections - 35 USC § 102

1.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2.   Claims 1-63 are rejected under 35 U.S.C. 102(b) as being unpatentable over

May (US 6,317,727).

Claims:

[c l]   A method of trading, comprising the steps of:

trading a standardized contract obligating a buyer and a seller to settle the contract

based on a price of the contract at a first effective date, through an exchange that

guarantees payment to the buyer of any amount owed to the buyer from the seller as a

result of the contract and that guarantees payment to the seller of any amount owed to

the seller from the buyer as a result of the contract; and/ col 4, L 46-64; col 9, L 6-27;

col 47, L 39-54

determining, using a computer, the price of the contract based on at least one notional

cash flow discounted by at least one point on an interest rate swap curve obtained from

a swap rate source./fig 23; col 24, L 66 to col 25, L 9; col 19, L 27-41

[c2]

The method of Claim 1, further comprising the step of selecting the swap rate source from a floating rate index selected from the group consisting of LIBOR, EURIBOR, and TIBOR./ col 19, L 27-41

[c3]

The method of Claim 1, further comprising the step of selecting ISDA swaps rates as the swap rate source./ fig 19 (356)

[c4]

The method of Claim 1, wherein the exchange is a futures exchange and the trading step comprises the step of trading the contract through the futures exchange in an exchange-based trading system./ col 4, L 5-33

[c5]   The method of Claim 1, wherein the exchange is a clearing agent and the trading step comprises the step of trading the contract through the clearing agent in an over-the-counter trading system./ col 4, L 5-33

[c6]   The method of Claim 1, wherein the trading step comprises the step of transmitting trade data between the buyer and the exchange and between the seller and the exchange via a system of networked computers, said trade data including information relating to the contract./ abstract; fig 1,3

[c7]   The method of Claim 6, wherein said system of networked computers is a wide area network./fig 1,3

[c8]   The method of Claim 7, wherein said wide area network is the Internet./ fig 1

[c9]   The method of Claim 1, further comprising the step of automatically rolling the contract over after the first effective date to a second effective date at which said buyer

and seller are obligated to settle based on the price of the contract at the second

effective date./ col 4, L 46-64; col 24, L 66 to col 25, L 9

[cl 10] The method of Claim 1, wherein said determining step comprises the step of

determining the price of the contract based on a government bond from which the at

least one notional cash flow is derived, said government bond having a fixed coupon

rate and a face value that provide the at least one notional cash flow./col 4, L 25-45; col

22, L 33-40

[cl 11] The method of Claim 1, wherein the determining step comprises the steps of:

generating a zero coupon curve based on the interest rate swap curve; generating

discount factors corresponding to time periods in which respective of said at least one

notional cash flows occur, based on the zero coupon curve; and

multiplying the discount factors by each corresponding notional cash flow./col 43, L 15-

63

[cl 12] The method of Claim 1, wherein the determining step comprises the step of:

determining the price of the contract at the first effective date;

and wherein the method further comprises:

settling the contract on the first effective date based on the price of the contract

determined at the first effective date./see reasoning under cl 1

[cl 13] The method of Claim 1, wherein the determining step further comprises the step

of:

determining the price of the contract daily at the close of trading; and wherein the

method further comprises:

settling daily based on the price determined at the close of trading./see reasoning under

cl 1

[cl 14] The method of Claim 1, wherein the step of trading comprises the step of trading

the contract physically./col 20, L 19-22

[cl 15] The method of Claim 14, wherein the step of trading the contract physically

comprises trading the standardized contract physically on a trading floor of the

exchange./ see reasoning under cl 1

[cl 16] The method of Claim 1, wherein the step of trading comprises the step of trading

the contract electronically./ see reasoning under cl 1

[cl 17] The method of Claim 1, wherein the settlement price of the contract is based on

plural notional cash flows discounted by the at least one point on the interest rate swap

curve./ see reasoning under cl 1

[cl 18]

A method of trading, comprising the steps of:

trading an option to trade a standardized contract at a specified strike price by a

specified date, said contract obligating a buyer and a seller to settle the contract based

on a price of the contract at an effective date, / col 18, l 6-18

through an exchange that guarantees payment to the buyer of any amount owed to the

buyer from the seller as a result of the contract and that guarantees payment to the

seller of any amount owed to the seller from the buyer as a result of the contract;

determining, using a computer, the price of the contract based on at least one notional

cash flow discounted by at least one point on an interest rate swap curve obtained from

a swap rate source; and settling the option based on the difference between the

determined price of the contract and the specified strike price./ see reasoning under cl 1

[cl 19]

A computer implemented method for entering trades of a standardized contract

obligating a buyer and a seller to settle the contract based on a settlement price of the

contract at an effective date, through a remote exchange that guarantees payment to

the buyer of any amount owed to the buyer from the seller as a result of the contract

and that guarantees payment to the seller of any amount owed to the seller from the

buyer as a result of the contract, the method comprising the steps of:

receiving at a computer remote from the exchange a quoted price of the contract;

displaying the quoted price of the contract; and

transmitting from the computer to the exchange an order to trade the contract, the

settlement price of the contract based on at least one notional cash flow discounted by

at least one point on an interest rate swap curve obtained from a swap rate source./ see

reasoning under cl 1

[cl 20] The method of Claim 19, further comprising determining a model price of the

contract based on the at least one notional cash flow discounted by the at least one

point on the interest rate swap curve./ see reasoning under cl 1

[cl 21]

The method of Claim 19, wherein the settlement price of the contract is based on plural notional cash flows discounted by the at least one point on the interest rate swap curve./see cl 17

[cl 22]

The method of Claim 19, further comprising the step of electronically receiving a credit or a charge, based on a difference in an execution price of the trade order and the settlement price./ see cl 18 and claim 1

[cl 23]

The method of Claim 19, further comprising the step of electronically receiving a credit or a charge, based on a difference in an execution price of the trade order and an execution price of another trade order./ see cl 22

[cl 24] A computer implemented system for trading, comprising:

means for trading a standardized contract obligating a buyer and a seller to settle the contract based on a price of the contract at a first effective date, through an exchange that guarantees payment to the buyer of any amount owed to the buyer from the seller as a result of the contract and that guarantees payment to the seller of any amount owed to the seller from the buyer as a result of the contract; and

means for determining the price of the contract based on at least one notional cash flow discounted by at least one point on an interest rate swap curve obtained from a swap rate source./ see claim 1

[cl 25]

The system of Claim 24, further comprising means for receiving the swap rate source

from a floating rate index selected from the group consisting of

LIBOR, EURIBOR, and TIBOR./see cl 2

[cl 26] The system of Claim 24, wherein the swap rate source comprises ISDA swaps

rates./ see cl 3

[cl 27] The system of Claim 24, wherein the exchange is a futures exchange and the

means for trading comprises means for trading the contract through the futures

exchange in an exchange-based trading system./ see cl 4

[cl 28] The system of Claim 24, wherein the exchange is a clearing agent and the

means for trading comprises means for trading the contract through the clearing agent

in an over-the-counter trading system./ see cl 5

[cl 29]

The system of Claim 24, wherein the means for trading comprises means for

transmitting trade data between the buyer and the exchange and between the seller and

the exchange via a system of networked computers, said trade data including

information relating to the contract./ cl 6

[cl 30]

The system of Claim 29, wherein said system of networked computers is a wide area

network./ see cl 7

[cl 31] The system of Claim 30, wherein said wide area network is the Internet./ see cl 8

[cl 32] The system of Claim 24, further comprising means for automatically rolling the contract over after the first effective date to a second effective date at which said buyer and seller are obligated to settle based on the price of the contract at the second effective date./ see cl 9

[cl 33] The system of Claim 24, wherein said means for determining comprises means for determining the price of the contract based on a government bond from which the at least one notional cash flow is derived, said government bond having a fixed coupon rate and a face value that provide the at least one notional cash flow./ see cl 10

[cl 34]

The system of Claim 24, wherein said means for determining comprises: means for generating a zero coupon curve based on the interest rate swap curve;

means for generating discount factors corresponding to time periods in which respective of said at least one notional cash flows occur, based on the zero coupon curve; and

means for multiplying the discount factors by each corresponding notional cash flow./ see cl 11

[cl 35] The system of Claim 24, wherein the means for determining comprises: means for determining the price of the contract at the first effective date; and wherein the system further comprises:

means for settling the contract on the first effective date based on the price of the contract determined at the first effective date./ see cl 12

[cl 36]

The system of Claim 24, wherein the means for determining comprises: means for determining the price of the contract daily at the close of trading; and wherein the system further comprises:

means for settling daily based on the price determined at the close of trading./see cl 13

[cl 37]

The system of Claim 24, wherein the settlement price of the contract is based on plural notional cash flows discounted by the at least one point on the interest rate swap curve./ see cl 17

[cl 38]

A computer implemented system for trading, comprising:

means for trading an option to trade a standardized contract at a specified strike price by a specified date, said contract obligating a buyer and a seller to settle the contract based on a price of the contract at an effective date, through an exchange that guarantees payment to the buyer of any amount owed to the buyer from the seller as a result of the contract and that guarantees payment to the seller of any amount owed to the seller from the buyer as a result of the contract;

means for determining the price of the contract based on at least one notional cash flow discounted by at least one point on an interest rate swap curve obtained from a swap rate source; and

means for settling the option based on the difference between the determined price of

the contract and the specified strike price./ see cl 18

[cl 39] A computer implemented system for entering trades of a standardized contract

obligating a buyer and a seller to settle the contract based on a settlement price of the

contract at an effective date, through a remote exchange that guarantees payment to

the buyer of any amount owed to the buyer from the seller as a result of the contract

and that guarantees payment to the seller of any amount owed to the seller from the

buyer as a result of the contract, the system comprising:

means for receiving at a computer remote from the exchange, a quoted price of the

contract;

means for displaying the quoted price of the contract; and

means for transmitting from the computer to the exchange an order to trade the

contract, the settlement price of the contract based on at least one notional cash flow

discounted by at least one point on an interest rate swap curve obtained from a swap

rate source./ see cl 19

[cl 40]

The system of Claim 39, further comprising means for determining a model price of the

contract based on the at least one notional cash flow discounted by the at least one

point on the interest rate swap curve./ see cl 20

[cl 41] The system of Claim 39, wherein the settlement price of the contract is based on

plural notional cash flows discounted by the at least one point on the interest rate swap

curve./ see cl 21

[cl 42] The system of Claim 39, further comprising means for electronically receiving a

credit or a charge, based on a difference in an execution price of the trade order and the

settlement price./ see cl 22

[cl 43] The system of Claim 39, further comprising means for electronically receiving a

credit or a charge, based on a difference in an execution price of the trade order and an

execution price of another trade order./ see cl 23

[cl 44]

A computer readable medium containing program instructions for execution

on a computer system, which when executed by the computer system, cause the

computer system to perform method steps for trading a contract, said method

comprising the steps of:

trading a standardized contract obligating a buyer and a seller to settle the contract

based on a price of the contract at a first effective date, through an exchange that

guarantees payment to the buyer of any amount owed to the buyer from the seller as a

result of the contract and that guarantees payment to the seller of any amount owed to

the seller from the buyer as a result of the contract; and

determining the price of the contract based on at least one notional cash flow

discounted by at least one point on an interest rate swap curve obtained from a swap

rate source./ see cl 24

[cl 45]

The computer readable medium of Claim 44, further comprising computer-executable

instructions for causing the computer system to perform the step of receiving the swap

rate source from a floating rate index selected from the group consisting of LIBOR,

EURIBOR, and TIBOR./ see cl 25

[cl 46]

The computer readable medium of Claim 44, further comprising computer-executable

instructions for causing the computer to perform the step of receiving ISDA swap rates

as the swap rate source./ see cl 26

[cl 47] The computer readable medium of Claim 44, wherein the exchange is a futures

exchange and the trading step comprises the step of trading the contract through the

futures exchange in an exchange-based trading system./ see cl 27

[cl 48] The computer readable medium of Claim 44, wherein the exchange is a clearing

agent and the trading step comprises the step of trading the contract through the

clearing agent in an over-the-counter trading system./ see cl 28

[cl 49]

The computer readable medium Claim 44, wherein the trading step comprises the step

of transmitting trade data between the buyer and the exchange and between the seller

and the exchange via a system of networked computers, said trade data including

information relating to the contract./ see cl 29

[cl 50] The computer readable medium of Claim 49, wherein said system of networked

computers is a wide area network./ see cl 30

[cl 51] The computer readable medium of Claim 50, wherein said wide area network is

the Internet./ see cl 31

[cl 52] The computer readable medium of Claim 44, further comprising program

instructions for causing the computer system to perform the step of automatically rolling

the contract over after the first effective date to a second effective date at which said

buyer and seller are obligated to settle based on the price of the contract at the second

effective date./ see cl 32

[cl 53]

The computer readable medium of Claim 44, wherein said determining step comprises

the step of determining the price of the contract based on a government bond from

which the at least one notional cash flow is derived, said government bond having a

fixed coupon rate and a face value that provide the at least one notional cash flow./ see

cl 33

[cl 54] The computer readable medium of Claim 44, wherein the determining step

comprises the steps of:

generating a zero coupon curve based on the interest rate swap curve; generating

discount factors corresponding to time periods in which respective of said at least one

notional cash flows occur, based on the zero coupon curve; and

multiplying the discount factors by each corresponding notional cash flow./ see cl 34

[cl 55]

The computer readable medium of Claim 44, wherein the determining step comprises

the step of determining the price of the contract at the first effective date;

and wherein the computer readable medium further comprises computer-executable

instructions for causing the computer system to perform the step of settling the contract

on the first effective date based on the price of the

contract determined at the first effective date./see cl 35

[cl 56] The computer readable medium of Claim 44, wherein the determining step

comprises the step of determining the price of the contract daily at the close of trading;

and

wherein the computer readable medium further comprises computer-executable

instructions for causing the computer system to perform the step of settling daily based

on the price determined at the close of trading./ cl 36

[cl 57] The computer readable medium of Claim 44, wherein the settlement price of the

contract is based on plural notional cash flows discounted by the at least one point on

the interest rate swap curve./ see cl 37

[cl 58]

A computer readable medium containing program instructions for execution on a

computer system, which when executed by the computer system, cause the computer

system to perform method steps for trading a contract, said method comprising the

steps of:

trading an option to trade a standardized contract at a specified strike price by a

specified date, said contract obligating a buyer and a seller to settle the contract based

on a price of the contract at an effective date, through an exchange that guarantees

payment to the buyer of any amount owed to the buyer from the seller as a result of the

contract and that guarantees payment to the seller of any amount owed to the seller

from the buyer as a result of the contract;

determining the price of the contract based on at least one notional cash flow

discounted by at least one point on an interest rate swap curve obtained from a swap

rate source; and

settling the option based on the difference between the determined price of the contract

and the specified strike price./ see cl 38

[cl 59]

A computer readable medium containing program instructions for execution on a

computer system, which when executed by the computer system, cause the computer

system to perform method steps for entering trades of a standardized contract

obligating a buyer and a seller to settle the contract

based on a settlement price of the contract at a first effective date, through a remote

exchange that guarantees payment to the buyer of any amount owed to the buyer from

the seller as a result of the contract and that guarantees payment to the seller of any

amount owed to the seller from the buyer as a result of the contract, said method

comprising the steps of:

receiving at the computer a quoted price of the contract; displaying the quoted price of

the contract; and

transmitting from the computer to the exchange an order to trade the contract, the

settlement price of the contract based on at least one notional cash flow discounted by

at least one point on an interest rate swap curve obtained from a swap rate source./see

cl 39

[cl 60]

The computer readable medium of Claim 59, further comprising computer-executable

instructions for causing the computer system to perform the step of determining a model

price of the contract based on the at least one notional cash flow discounted by the at

least one point on the interest rate swap curve./ see cl 40

[cl 61] The computer readable medium of Claim 59, wherein the settlement price of the

contract is based on plural notional cash flows discounted by the at least one point on

the interest rate swap curve. / see cl 41

[cl 62] The computer readable medium of Claim 59, further comprising computer-

executable instructions for causing the computer system to perform the step of

electronically receiving a credit or a charge, based on a difference in an execution price

of the trade order and the settlement price./ see cl 42

[cl 63] The computer readable medium of Claim 59, further comprising computer-

executable instructions for causing the computer system to perform the step of

electronically receiving a credit or a charge, based on a difference in an execution price

of the trade order and an execution price of another trade order./ see cl 43

3.   As per telephone conversation on Nov. 4, 2003, examiner requests the prior art

stated by the Attorney of record concerning the Chicago Board of Trade publication.

Application/Control Number: 09/682189

Art Unit: 3624

This action is NON-FINAL. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Steven R. Wasylchak whose telephone number is (703) 308-2848. The examiner can normally be reached on Monday-Thursday from 7:00 a.m. to 6:00 p.m. EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1065. The fax number for Art Unit 3624 is (703) 305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Steven Wasylchak

11/23/03

DR. GEOFFREY R. AKERS, P.E.
PRIMARY EXAMINER